

**City of Miami Beach City Commission Workshop**  
**Commission Chambers, 3rd Floor, City Hall**  
**1700 Convention Center Drive**  
**July 24, 2002**

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Mayor David Dermer	Present
Vice-Mayor Richard L. Steinberg	Present
Commissioner Matti Herrera Bower	Present
Commissioner Simon Cruz	5:07 p.m. - 6:35 pm
Commissioner Luis R. Garcia, Jr.	Present
Commissioner Saul Gross	Present
Commissioner Jose Smith	Present

City Manager Jorge M. Gonzalez  
City Attorney Murray H. Dubbin  
City Clerk Robert E. Parcher

\*Commissioner Garcia left the meeting at approximately 4:35 p.m. and returned at 6:05 p.m. and left again at 7:28 p.m.

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#### **ATTENTION ALL LOBBYISTS**

**Chapter 2, Article VII, Division 3 of the City Code of Miami Beach entitled "Lobbyists" requires the registration of all lobbyists with the City Clerk prior to engaging in any lobbying activity with the City Commission, any City Board or Committee, or any personnel as defined in the subject Code sections. Copies of the City Code sections on lobbyists laws are available in the City Clerk's office. Questions regarding the provisions of the Ordinance should be directed to the Office of the City Attorney.**

### **BUDGET WORKSHOP**

Meeting called to order at 4:23:55 p.m.

Mayor Dermer opened the meeting and stated that at the next Commission Meeting, July 31, 2002, the City will be setting the tentative millage rate. He stated that the Administration is not proposing a mileage rate increase; however, the proposed fee increases will be discussed.

Jorge Gonzalez, City Manager, stated that this meeting is the culmination of a series of meetings trying to develop the proposed budget. The presentation today will give the details on how the Administration reached a balanced budget. The Administration is not proposing tax increases at this point; however, all of the fees, some of which have not been changed in more than ten years, are being recommended to for increases to bring them inline with current standards. Other revenue sources are also being investigated.

Patricia Walker, Chief Financial Officer, gave a PowerPoint presentation.

Commissioner Bower asked where the budget numbers are for the City Attorney's Office and how do they fit into the budget.

Jorge Gonzalez, City Manager, stated that the City Attorney's operating budget is incorporated into the overall budget plan being proposed; what is not included is outside attorney fees or additional resources for settlement. The budget proposed today is balanced and includes the operations of the City Attorney's Office. The Administration has not analyzed their budget. The City Attorney's Office gives the Administration their budget estimates and if the Administration feels they are reasonable, that number is put into the budget. Commissioner Smith is the Commission representative to the City Attorney's Oversight Committee, as well as Commissioner Bower, and is this committee that reviews the City Attorney's Office budget.

Commissioner Bower asked what the City Attorney's office does to reduce the budget. She stated that she knows what the Administration does to try to reduce the budget and cut expenses and added that she has not seen the budget for the City Attorney's Office. Commissioner Bower requested to know all of the expenses of the City, including the City Attorney's Office.

Commissioner Smith stated that the reason the City Attorney's Office is done separately is because the City Attorney's Office is a co-equal branch of government. They are not a part of the City Manager's responsibilities.

Commissioner Bower asked if the City Attorney's Office's Budget could be reviewed at the same time the Administration does theirs.

Patricia Walker, CFO, stated that the City Attorney's budget would be presented along with the Administration's budget on July 31.

Mayor Dermer suggested that Commissioner Bower attend the next City Attorney's Oversight Committee meeting and stated that the meeting could be held between the July 31 Commission Meeting and the September 11, 2002 Commission Meeting.

Commissioner Bower stated that maybe for next year the Legal Department's budget could be reviewed in one of the many meetings being held.

Commission Smith stated that one of the enhanced service levels for the CIP office is a request to have a dedicated attorney to do construction litigation.

Jorge Gonzalez, City Manager, stated that it is not that the Administration is not interested in pursuing this, but the City cannot afford to have a dedicated attorney assigned to the CIP.

Patricia Walker, CFO, gave a PowerPoint presentation.

The goals for the FY 2002/2003 budget are to:

1. Maintain current service levels.
2. Fund operational costs for projects coming on-line.
3. Provide enhance service levels as funding permits.

5:06:22 p.m.

Robert Middaugh, Assistant City Manager, gave an overview of the proposed increases in Park and Recreation fees.

5:08:26 p.m.

Patricia Walker, CFO, continued with the PowerPoint presentation. She also talked about some specific options related to the fourth person on the fire ladder trucks.

1. Defer 6 months savings \$130,000
2. Defer 12 months savings \$270,000
3. Staff fire prevention with 5 civilian positions and move the 5 firefighters to suppression. saving \$115,822

5:11:42 p.m.

Patricia Walker, CFO, continued the PowerPoint presentation reviewing the budgets of the Enterprise Funds.

5:16:47 p.m.

Jorge Gonzalez, City Manager, commended the Budget staff and the staff of the various departments for all their work to bring the budget where some decision and choices can be made. The City is still feeling the impact of September 11. The Administration took a number of dramatic measures in this current budget year. As the City proceeds into the next budget year the Administration is trying to make sure the operation is fiscally prudent and do not live beyond the City means.

5:18:12 p.m.

Each Commissioner was given an opportunity to ask specific questions regarding the budget. This Afteraction captures only those items where the Administration was requested to provide follow-up information.

Commissioner Gross spoke about the following issues:

1. Golf Course budget
2. Saturday inspection (Fire and Building)  
Jorge Gonzalez, City Manager, stated that Saturday inspection by the Building Department would be discontinued; Fire Department will continue.
3. Proposed fee increases will mostly impact the small business owners. This will impact the sidewalk cafes when business and revenues are down.
4. Fire Prevention/Fire Suppression issue needs to be explained. This item is to be placed on the Finance and Citywide Projects Committee July 25, 2002 agenda.  
**Patricia Walker to handle.**
5. Acquiring the services of a City publicist. He stated that this should be an outside firm.
6. Business Assistance program.

5:39:19 p.m.

Commissioner Smith talked about the following issues:

1. Park Rangers for security. Jorge Gonzalez, City Manager, stated the \$148,000 for Park Rangers is not being funded this year. If additional money can be found the hours of operations for Park Rangers will be in the afternoon and nighttime.
2. \$182,000 additional hand-sweeping crew in the North Beach area will be funded.
3. Status of the Marine Patrol boat for the north part of the Beach. **Chief De Lucca to handle.**
4. Status of the additional Fire Rescue for the north end. Chief Jordan responded. **Commissioner Smith and Jorge Gonzalez, City Manager, to meet on this subject.**

5:49:46 p.m.

Commissioner Cruz talked about the following issues:

1. Stated that he has a real problem with fee increases.
2. Park Rangers - why can't the Police Department provide this service?
3. Investigate the options presented by the Administration regarding staffing of fire presentation.
4. Passport services is an excellent idea, but why more staffing.
5. Review Code Compliance function.
6. Requested a status on the Bass Museum. Jorge Gonzalez, City Manager, orally reported the \$2.3 debt owed to the City. Commissioner Cruz stated that he does not think the City can afford to fund an enterprise that the City has no control over. This relationship needs to be reviewed and options need to be presented. **Christina Cuervo to handle.**

Jorge Gonzalez, City Manager, stated that up to the point the Administration has cut \$7 million from the budget. \$7 million is a sizable amount of current service level.

Patricia Walker, CFO, stated that the fees have not been increased in many years; however, the service levels have been increased. Our community requests higher level of services, and the Administration needs to recover, at least, the cost-of-living increases.

Commissioner Cruz stated that increase should be tied to some type of CPI or Cola increase, not increase the fees all at once when economic times are challenging.

Jorge Gonzalez, City Manager, stated during their budget time choices are made. The problem with this budget year is that a lot of the choices have already been made: Union contracts, new facilities coming on-line, funding certain programs, etc. The Administration and the Commission's hands are tied in certain instances because of prior commitments. Unfortunately, the economy is what it is and this has created some problems for business. This Administration is trying to think out-of-the-box and be creative.

6:18:15 p.m.

Commissioner Bower:

1. Stated that she does not want to increase the fees.
2. Biscayne Point clean up of the canals is a problem which needs to be addressed. Robert Middaugh, Assistant City Manager, gave an oral report on the actions being taken by the Administration. **Fred Beckmann to handle.**
3. A lot of budget assumptions have been made but what would happen if some of them do not work out. Patricia Walker, CFO, stated that there is a \$1 million operating contingency budget to provide for shortfalls. Also, Department discretionary spending could be limited or stopped.
4. Commissioner Bower requested to know what needs to be done to clean up the canals. **Fred Beckmann to handle.**

6:22:26 p.m.

Vice-Mayor Steinberg

1. Shares the concern of the canal situation. He stated that the canal situation is all over the City, not just Biscayne Point, and something should be done, perhaps enlisting volunteers to clean the canals. Mike Thompson may be able to get the Teen Job Corps to help.
2. He also stated his concern with handling the volume of people that come to the naturalization services for passport processing.

Jorge Gonzalez, City Manager, announced that as part of National Civic Participation Week, on September 14, 2002, the Administration expects to have Tatum Canal Clean up Day in North Beach.

Robert Middaugh, Assistant City Manager, responded to Commissioner Gross's request to explain the call center concept.

3. Vice-Mayor Steinberg asked how much is paid in sidewalk permits and Ocean Drive and Lincoln Road. Patricia Walker, CFO, responded. He also asked about valet ramping on Ocean Drive and why the City doesn't charge a fee. Saul Frances, Parking Director, stated that this issue is currently under review by the Transportation and Parking Committee.
4. Vice-Mayor Steinberg expressed his concern with removing the peak hour rescue service. He agrees with Commissioner Smith that this is needed. Jorge Gonzalez, City Manager, stated that he is concerned with the message that may be going out regarding fire rescue service levels. Floyd Jordan, Fire Chief, spoke on this issue. Commissioner Garcia also spoke on this issue from his experience as prior Fire Chief.

Commissioner Gross stated that the City has the benefit of the expertise of two Fire Chiefs. He asked Chief Jordan his opinion on the proposal for civilians in the Fire Prevention.

Chief Jordan stated that the idea is to take five firefighters from the Fire Prevention Bureau and replaced them with civilians. He stated his preference would be to hire five new firefighters.

Jorge Gonzalez, City Manager, stated that this issue has been studied. The Administration is weighing the costs versus the benefits of having civilians or firefighters perform this service. The analysis is significant. The cost saving over a number of years is in the area of fringe benefits. The cost of the fringe benefits for sworn police officers and firefighters is in the 43% range and for general employees is in the 11-12% range.

Commissioner Smith stated that neither one makes much difference; however, provided: 1) The inspectors hired must have a background in engineer and/or architecture and are familiar with the fire code, and 2) that the Codes are interrupted fairly and are applied consistently.

6:59:58 p.m.

Commissioner Garcia:

1. Asked how much money the City is collecting in sidewalk cafes fees, Patricia Walker, CFO, responded, approximately \$480,000. Commissioner Garcia asked if the fee is increased, how much is the increase. Patricia Walker, CFO, stated \$5 a square foot or \$240,000. He stated that every sidewalk café on state road is illegal. FDOT has been trying to come to an agreement with the City of Miami Beach since 1999. Jorge Gonzalez, City Manager, stated that the City is waiting for the agreement letter from the State.
2. This has been a difficult year for Miami Beach businesses; therefore he could not vote for increasing the fees for sidewalk cafes.
3. Relative to Fire inspection fee if the City is not increasing services, he is against raising the fee.
4. Relative to park fees the City should not increase the fees if we do not provide the service. He stated that Scott Rakow Youth Center is a mess and is poorly designed.
5. He added that perhaps Administration should use some of the \$15 million contingency fund before fees are raised.

Commissioner Bower stated that perhaps this issue could be discussed in the Finance and Citywide Projects Committee. She thanked the City Manager for establishing the Parks Blue Ribbon Task Force.

Commissioner Smith stated that one of the reasons we have a good rating for our bonds is because of our contingency reserve. He believes this is the last thing we should do.

Jorge Gonzalez, City Manager, stated that the order of excess money in any fiscal year is allocated at follows: 1. Fund the increment to fund the 11% contingency fund, 2. Any left over money after funding the 11% goes to fund the capital fund reserve, and 3. Any left over money from 1 and 2 goes to the undesignated general fund.

Commissioner Bower stated that to address the operations and maintenance of all the new park construction for next year, perhaps there should be some consideration of placing a question on next year's ballot setting aside a portion of an endowment. Jorge Gonzalez, City Manager, stated that this item should be referred to some future meeting of the Finance and Citywide Projects Committee. **Patricia Walker to handle.**

Commissioner Gross stated that it is easier to increase fees rather than cut costs. He requested the departments' 3 and 5% reductions. **Patricia Walker to handle.**

Mayor Dermer talked about the following:

1. Thanked Patricia Walker, CFO, and the City Staff for their efforts in preparing this budget.
2. He is not interested in using the contingency fund for this purpose.
3. Regarding the maintenance of the parks; there are many businesses in our community that want to participate in our parks. There is a big drive for volunteerism in this community.
4. Concerned about the Business Assistance Program. How do you justify giving cash to new businesses and at the same time taxing current businesses that are struggling to make ends meet?

Public Comment:

Mike Thompson spoke on the following:

1. Commended Jorge Gonzalez, City Manager, and Patricia Walker, CFO, their efforts on the budget.
2. Stated to Commissioner Bower that if she meets on the waterways, he would like to be a part of the meeting.
3. He believes in outsourcing those tasks that can be done by the private sector. As President of the Teen Job Corp his Corp can do the job cheaper. He stated that in the North Beach area the City is looking at \$184,000 to sweep the residential and commercial areas and recommends looking at outsourcing the sweeping. He stated that the Teen Job Corp could provide 40 teens to provide this service.
4. The twenty-four hour telephone service can also be outsourced. Maybe all that is needed is a voice mail or a beeper.
5. He asked if departments were under budget and if so, what happens to the excess money and where does it go.

Jorge Gonzalez, City Manager, stated that just about every department should show savings at the end of the year because actions taken by the Administration relative to September 11. He stated that we should be able to fund the 11% reserve this year and fund the capital reserve, than the rainy day fund.

Commissioner Smith requested Patricia Walker, CFO, to bring the issue of Resort Tax collection to the Finance and Citywide Projects Committee because liens could be placed on the properties. **Patricia Walker to place on agenda.**

David Kelsey spoke on the following:

1. Stated that business is slow and increasing fees will only place more of a burden on the businesses. These are serious times for the small business community and the City needs to be sensitive to the businesses.

Commissioner Smith stated that someone has to pay for police and fire, sanitation, the lifeguards and for the other services required by South Beach. It not fair for the residents to continually subsidize the businesses on Ocean Drive and Lincoln Road. He also stated that parking fees should be reviewed. We should be careful and sensitive to the needs of the business community but also be fiscal responsible to the needs of the rest of the City.

Bea Kalstein spoke on the following:

1. All of the big institutions are cutting their overheads.

2. There are a lot of empty places in Lincoln Road. These are very bad times.
3. There are huge increases in assessed property value and there is no reason to increase the taxes.
4. The RDA spent \$34,000,000 carelessly.
5. Go after receivables.

Mayor Dermer stated that the fee issue will be discussed at the Finance Citywide Project Committee tomorrow.

#### Handout or Reference Materials

1. Color Printout of the PowerPoint Presentation
2. Spreadsheet titled "Cost of a Sworn Firefighter vs. Cost of a Civilian Inspector over a 27 year Career - Summary," dated 7/8/02
3. Notice of Ad in Miami Herald
4. Bound Book titled "City of Miami Beach FY 02/03 Increased/Enhanced Service Level Requests."

Meeting adjourned at 8:07:12 p.m.